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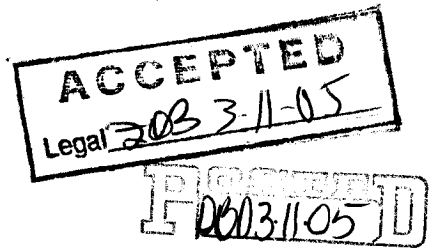
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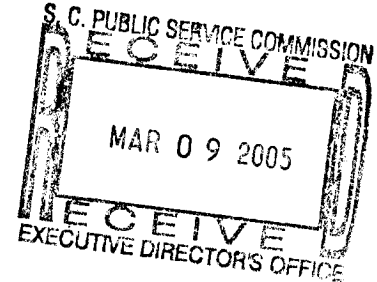
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K. CHAD BURGESS  
NOAH M. HICKS II\*\*

March 9, 2005

\*ALSO ADMITTED IN TX  
\*\*ALSO ADMITTED IN VA

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
Post Office Drawer 11649  
Columbia, South Carolina 29211



RE: Application of Carolina Water Service, Inc. for adjustment of rates and charges for the provision of water and sewer service and modification of rate schedules; Docket No. 2004-357-WS

Dear Mr. Terreni:

Enclosed for filing please find the original and two (2) copies of the initial responses and objections of Carolina Water Service, Inc. ("CWS") to certain of the data requests submitted the Office of Regulatory Staff in the above-referenced matter. By copy of this letter, I am serving counsel for the Office of Regulatory Staff with a copy of same and enclose a certificate of service to that effect.

*JMH* I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me in the envelope provided.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

**WILLOUGHBY & HOEFER, P.A.**

John M.S. Hoefer

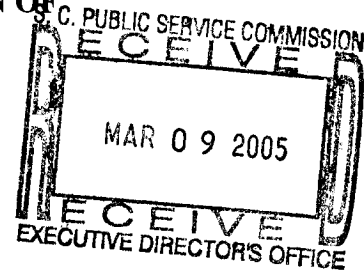
JMSH/twb  
Enclosures

cc: C. Lessie Hammonds, Esquire  
Florence P. Belser, Esquire

## BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S



IN RE:

)  
)  
Application of Carolina Water Service,  
)  
Inc. for adjustment of rates and charges  
)  
and modification of certain terms and  
)  
conditions for the provision of water and  
)  
sewer service.  
)  
\_\_\_\_\_ )

**RESPONSES TO OFFICE OF  
REGULATORY STAFF'S FIRST  
CONTINUING DATA REQUEST**

**TO: THE OFFICE OF REGULATORY STAFF AND ITS ATTORNEYS, FLORENCE P. BELSER, ESQUIRE AND C. LESSIE HAMMONDS, ESQUIRE**

Carolina Water Service, Inc., ("Applicant" of "Company") answers the February 23, 2005, First Continuing Data Request of the Office of Regulatory Staff ("ORS") as follows:

In setting forth its answers, Applicant does not waive any attorney/client, work product, or other privilege which may attach to information called for in, or which may be responsive to, these interrogatories. Applicant does not concede the relevance or materiality of these interrogatories or documents produced in response to same. Applicant reserves the right to question the competency, relevancy, materiality, and admissibility of any information or document provided herewith, and the right to revise, correct, supplement or clarify same. The above objections and privileges are asserted in the response to each interrogatory as if set forth verbatim at the beginning of each response. Where no response has been given, Applicant has been unable to respond within the time requested for response and submits that additional time is warranted given the nature, complexity and quantity of information sought and the scheduled hearing date. See Vol. 26 S.C. Code Ann. Regs. R. 103-804(X)(3) (1976). Responses to requests not provided hereby will be provided as soon as the Company is able to do so.

**1.1 Describe any construction and/or upgrades proposed or taking place at Carolina Water Service, Inc. which is a driving reason for the requested rate increase.**

Answer: The Company has previously provided to ORS, during the course of its financial audit, workpapers reflecting some of the construction projects or plant upgrades responsive to this request. In addition, the Company is in the process of identifying additional projects or upgrades which are responsive to this request and will provide that information as soon as possible. The Company will also update this information in its testimony and at hearing with any further information regarding such projects or upgrades.

*Qwest*

- 1.2 Page 2, Paragraph 4 of the Application refers to a DHEC regulatory requirement in R.61-58.7.F.8. Is CWS planning to require all of its water customers to conduct cross connection testing? Will CWS charge each customer if such testing is conducted by CWS? Please clarify. What justification will be used by CWS to conduct the cross connection testing? What will be the consequences of a failed test?**

Answer: The Company refers ORS to page 3, ¶ 6 of Exhibit A to the application, which is the proposed rate schedule. Further responding to this data request, the Company notes that cross-connection testing is a requirement imposed by DHEC – not the Company – on persons installing cross-connections which may potentially contaminate public water systems. The Company will enforce the DHEC requirement. CWS will not be conducting any testing as the referenced regulation requires testing by DHEC certified inspectors. CWS will pass through to the customer, without markup, the charges incurred from the independent certified inspector in the event that the customer fails to adhere to the DHEC requirements and retain a certified inspector to conduct the test. If a customer is maintaining a cross-connection that fails the test required under DHEC regulations, the customer will be required to repair the connection or face disconnection in accordance with Vol. 26 S.C. Code Ann. Regs R. 103-735.A, B or N (1976, as amended).

- 1.3 List the specific standards and regulations set by DHEC and other governmental agencies which justify Carolina Water Service, Inc.'s rate increase request as stated on page 4, paragraph 11 of the application. Provide the itemized cost to Carolina Water Service, Inc. for each standard and regulation. Provide a description of how Carolina Water Service, Inc. will meet the standard and/or regulation.**

Answer:

- 1.4 Provide information on the following:**
- a. How many taps have been connected to the systems owned by Carolina Water Service, Inc. from inception of the system to the present?**
  - b. How much revenue from tap fees has been collected from customers from the inception of the system to the present?**
  - c. What is the maximum number of taps that can be installed on the present system?**
  - d. How many taps were provided during 2000, 2001, 2002, 2003, and 2004?**
  - e. How many taps do you anticipate making per year during the next five years?**
  - f. What were the total costs expensed for taps each year during 2000, 2001, 2002, 2003, and 2004?**
  - g. What were the total costs capitalized for taps for each year during 2000, 2001, 2002, 2003, and 2004?**
  - h. Exhibit B, page 15, lists the number of projected customers for Carolina Water Service, Inc. What period is this for?**

Answer: The Company objects to this request to the extent it seeks information for years prior to 2002 on the ground that information for that period the information sought is not relevant nor likely to lead to the discovery of admissible evidence. The Company also objects to this request to the extent that it requests information pertaining to the Company's "tap fees" since no adjustment to same is being requested in the instant proceeding. Subject to those objections, the Company states as follows:

- a. The following represent the number of taps connected in each of the years from 2002 through 2004:
  - 1) 2002 – Water: 180; Sewer: 248
  - 2) 2003 – Water: 231; Sewer: 258
  - 3) 2004 – Water: 256; Sewer: 275
- b. The Company has not collected "revenue" from tap fees.
- c. This information is being gathered and will be provided shortly.
- d. Please see response to Item a.
- e. This information is being gathered and will be provided shortly.
- f. No amounts were expensed by the company for taps during these years.
- g. The following amounts were capitalized in each year for tap fees:
  - 1) 2002 - \$242,953
  - 2) 2003 - \$262,625
  - 3) 2004 - \$230,333
- h. This is the growth for the one-year period following the test year.

**1.5 List the names and business titles of all people who provided information for preparation of the Application.**

Answer: Steven M. Lubertozzi (Director of Regulatory Accounting), Kirsten E. Weeks (Senior Regulatory Accountant), Daniel A. Baratz (Regulatory Accountant) and Bruce T. Haas (Regional Director).

**1.6 List the names and business titles of all people who provided information for preparation of the Application exhibits. Indicate who calculated the numbers for each exhibit and list the appropriate exhibit next to the individual's name.**

Answer: Daniel A. Baratz (Regulatory Accountant).

**1.7 List the number of residential and commercial customers as of July 1, 2003, June 30, 2004 and January 1, 2005.**

Answer:

**1.8 What were officer and employee salaries in 2000, 2001, 2003, 2003, and 2004?**

Answer: The Company has previously provided to ORS, during the course of its financial audit, this information for calendar years 2003 and 2004, subject to a Protective Agreement. The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Subject to that objection, the Company will provide this information under separate cover pursuant to the Protective Agreement.

**1.9 What is (are) the amount(s) of CWS's performance bond(s) currently on file with the Public Service Commission of South Carolina?**

Answer: The Company currently has on file with the Commission a letter of credit in the amount of \$100,000. The Company understands it to be the position of ORS that the Commission regulations require a minimum \$100,000 bond or letter of credit for water and for sewer utility operations. If the Commission agrees with this interpretation of its regulation, the Company will increase the amount of its letter of credit accordingly. The Company reserves the right, in that event, to update the amount of its "performance bond" expense to reflect any additional expense incurred in this regard.

**1.10 Is the state's tax credit for pollution control equipment being claimed by Carolina Water Service, Inc. during the test year for any construction activities? If so, what is the tax credit (or expected tax credit), and where is it included in the financial information submitted with the Application?**

Answer: No. The Applicant is unaware of any provision of South Carolina law providing for a pollution control equipment **credit**. Applicant is aware that certain facilities and equipment of **industrial plants** which are designed for the elimination, mitigation, prevention, treatment, abatement or control of various forms of pollution, including water pollution, are **exempt** from *ad valorem* property taxation. See S.C. Code Ann. § 12-37-220(A)(8) (Revised 2000). However, Applicant does not understand itself to be entitled to such exemption as its facilities are not part of an "industrial plant" as described in that code section.

**1.11 Is the state's tax credit for any construction or improvement of an infrastructure being claimed by Carolina Water Service, Inc.? If so, what is the tax credit (or the expected tax credit), and where is it included in the financial information submitted with the Application?**

Answer: No. Applicant does not understand itself to be entitled to a credit on its South Carolina corporate income tax for infrastructure projects. See S.C. Code Ann. § 12-6-3420 (B)(2) and (F) (Revised 2000).

- 1.12 List employees employed at June 30, 2000, 2001, 2002, 2003, and 2004, including their position, date of hire, salary, hours worked per week, exempt/non-exempt status, and duties.**

Answer: The Company has previously provided to ORS, during the course of its financial audit, this information for calendar years 2003 and 2004, subject to a Protective Agreement. The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Subject to that objection, the Company will provide this information under separate cover pursuant to the Protective Agreement.

- 1.13 List state regulatory commission expenses for the fiscal year beginning July 1, 2004, including legal expenses and postage.**

Answer: The Company does not understand this request.

- 1.14 Provide the balance of Accrued Interest on Customer Deposits as of June 30, 2004.**

Answer: Information responsive to this request was provided to ORS in the course of its financial audit.

- 1.15 Submit detailed working papers breaking down the test year revenue and the proposed revenue of Carolina Water Service, Inc. Include information about the source of the miscellaneous revenue.**

Answer: Information responsive to this request was provided to ORS in the course of its financial audit. Same will be made available to ORS again in the compliance audit.

- 1.16 Please provide details on Uncollectible Accounts at June 30, 2000, 2001, 2002, 2003 and 2004; and provide the calculation for the proposed Uncollectibles associated with the rate increase.**

Answer:

- 1.17 Provide a detailed breakdown for the "Salaries and Wages" category. List the employee's name, amount paid and to be paid to the employee, and the duty performed by the employee.**

Answer: The Company has previously provided to ORS, during the course of its financial audit, this information subject to a Protective Agreement.

- 1.18 To what assets and in what amount does the Depreciation as shown on the Application, Exhibit B, pages 2-4 apply?**

Answer: The Company has previously provided to ORS, during the course of its financial audit, a depreciation schedule responsive to this request.

**1.19 What expenses are included in “Outside Services – Other”?**

Answer: The Company has previously provided to ORS, during the course of its financial audit, information responsive to this request. See trial balance as of 6/30/04.

**1.20 Provide details and documentation regarding any DHEC fines. If there are any, for what reasons and in what amounts were the fines issued? Provide a copy of the orders dictating the fines. Does Carolina Water Service, Inc. have any outstanding noted violations by DHEC? If so, what are they and provide a copy of the documentation by DHEC that outlines these potential violations.**

Answer:

**1.21 What expenses are included in the Transportation expenses? What type(s) of vehicles does this include?**

Answer: The Company has previously provided to ORS, during the course of its financial audit, information responsive to the first part of this request. See trial balance as of 6/30/04. Similarly, ORS was provided a workpaper listing the types of vehicles included.

**1.22 What “land & land rights” listed in Exhibit B, page 8 and 10, does Carolina Water Service, Inc. own and where is it located? Indicate the years each was placed in service and its purchase price. Does this include the business office in Lexington County, South Carolina?**

Answer:

**1.23 Subsequent to the last rate case, has there been any change in the ownership of Carolina Water Service, Inc.? If so, provide a listing of the owners of the Company. Was the change in ownership approved by the Commission? If so, please identify the docket in which the Commission addressed the change of ownership of the Company?**

Answer: No.

**1.24 List by year the total number of bills issued to customers during the years 2000, 2001, 2002, 2003, and 2004.**

Answer: The Company objects to this request with respect to years 2000 and 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of

admissible evidence. The Company is compiling the information requested for 2002–2004 and will provide it under separate cover.

- 1.25 Please provide a schedule showing the number of customers and the number of billing units for each of the bill codes listed in the Application, Exhibit B, pages 11-14.**

Answer: This information will be provided to ORS during the compliance audit. It is contained in a voluminous document which can, if ORS desires, be reproduced.

- 1.26 Please provide work papers for both water and sewer supporting the column labeled “Units” on the Application, Exhibit B, pages 11-14.**

Answer: This information will be provided to ORS during the compliance audit. It is contained in a voluminous document which can, if ORS desires, be reproduced.

- 1.27 Provide a comparative statement and detailed work papers for expense categories and expenses by account number, including labor, for water, sewer, and combined operations for the twelve month periods ending June 30 , 2000, 2001, 2002, 2003, and 2004.**

Answer: The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Further responding, the Company states that no such document exists. However, this information may be obtained by ORS from the annual reports of the Company for 2002–2004 which are on file with the Commission.

- 1.28 Provide a comparative statement and detailed work papers for expense categories and expenses by account number, excluding labor, for water, sewer, and combined operations for the twelve month periods ending June 30, 2000, 2001, 2002, 2003, and 2004.**

Answer: The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Further responding, the Company states that no such document exists. However, this information may be obtained by ORS from the annual reports of the Company for 2002–2004 which are on file with the Commission.

- 1.29 Please provide a comparative balance sheet at June 30, 2000, 2001, 2002, 2003 and 2004 similar to the balance sheet provided in the Application as Schedule A.**

Answer: The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Further responding, the Company states that no such



document exists. However, this information may be obtained by ORS from the annual reports of the Company for 2002–2004 which are on file with the Commission.

- 1.30 Please provide comparative schedules similar to the “per Books” column on Exhibit B to the Application, pages 2 (Combined Operations), 3 (Water Operations), and 4 (Sewer Operations) for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004.**

Answer: The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Further responding, the Company states that no such document exists. However, this information may be obtained by ORS from the annual reports of the Company for 2002–2004 which are on file with the Commission.

- 1.31 Provide a schedule showing when salaries of Carolina Water Service, Inc. employees are paid and pay stubs for three consecutive pay periods for officers and staff.**

Answer: The requested information was provided to ORS during its financial audit subject to the Protective Agreement. See Automated Data Processing payroll report.

- 1.32 Provide a schedule detailing the amount of bonuses received by Carolina Water Service, Inc. officers, owners and employees during the test year.**

Answer: The requested information was provided to ORS during its financial audit subject to the Protective Agreement.

- 1.33 Provide a depreciation schedule for all Carolina Water Service, Inc. plant and equipment.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.34 Provide the complete general accounting ledger for the 2004 test year.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.35 Provide a schedule showing the number of billing units served by Carolina Water Service, Inc. at June 30, 2004 for the following (treated by Carolina Water Service, Inc. versus pass-thru.):**

- a. Residential (single family/apartments)**
- b. Mobile Base**
- c. Car Washes**
- d. Churches**
- e. Factories (separated by those with no showers, with showers, and with kitchen facilities)**

- f. **Food Services Operations (separated by those that are not 24-hour restaurants, are 24-hour restaurants, provide curb-side service, serve fast-food, and are a vending machine restaurant)**
- g. **Institutions**
- h. **Motels/Hotels**
- i. **Nursing Homes (separated by those that do and do not provide laundry services)**
- j. **Laundries**
- k. **Offices**
- l. **Picnic Parks**
- m. **Assisted Living Homes (separated by those that do and do not provide laundry services)**
- n. **Schools**
- o. **Service Stations (separated by those with bays and without bays)**
- p. **Shopping Centers**
- q. **Swimming Pools**
- r. **Theaters**
- s. **Country Clubs, Fitness Centers, Spas, Health Clubs, and similar entities.**
- t. **Convenience Store**
- u. **All remaining customers not listed above**

Answer: The Company does not have the information by the customer categories requested. However, consumption analyses will be provided to ORS during its compliance audit from which ORS may derive the remaining information requested.

**1.36 Provide all work papers, documents, plats, maps, recordings or other items used to prepare the Application and its attached Exhibits.**

Answer: The Company objects to this request as overly broad, vague and unduly burdensome. For example, every invoice issued to the Company **in the test year alone** would have to be reproduced and provided to ORS if this request were to be honored; this would in turn involve the reproduction of tens of thousands of documents. Subject to that objection, the Company will make available for inspection by ORS during its compliance audit documents responsive to this request – as was done in the ORS financial audit.

**1.37 Provide all federal and state income tax returns signed and filed by Carolina Water Service, Inc. for tax years 2000, 2001, 2002 2003, and 2004. This request includes all supporting schedules and documents, such as 1099s, and the like, whether filed or not.**

Answer: The Company objects to the request for data for calendar years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. Documents responsive to this request for years 2002-2004

were available for inspection by ORS during its financial audit and will be made available for inspection and reproduction during its compliance audit.

- 1.38 Provide a copy of all contract terms and conditions for water providers and wastewater disposal with treatment providers.**

Answer:

**The following questions reference Exhibit B of the Application.**

- 1.39 Provide detailed work papers for all proposed accounting and pro forma adjustments for revenue, expenses, and rate base on Schedules B and C.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.40 Provide a copy of Water Service Corporation's Distribution of Expenses Report used to allocate expenses for the test year.**

Answer: The requested information was provided to ORS during its financial audit subject to the Protective Agreement.

- 1.41 Provide a copy of the most recent consolidated financial statements for Utilities, Inc. and Affiliated Companies.**

Answer: The requested information was provided to ORS during its financial audit subject to the Protective Agreement.

**Schedule A**

- 1.42 Provide details for the Plant Acquisition Adjustment for water and sewer of (\$217,337) and (\$265,382) respectively.**

Answer:

- 1.43 Provide a summary of Construction Work in Progress (CWIP) for the test year for water and sewer operations of \$2,401 and \$431,762 respectively. Details should at a minimum include name of project, total amount of project, amount expended to date, date project commenced and projected in-service date.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.44 Provide a listing of Accounts Payable to Associated Companies of \$3,279,453.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.45 Provide details on Contributions In Aid of Construction for water and sewer of \$4, 470, 535 and \$10, 724, 811 respectively.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.46 Please provide details on the Accumulated Deferred Income Tax category listed in Exhibit B, Schedule A at page 1.**

Answer: The requested information was provided to ORS during its financial audit.

Schedule B

- 1.47 Provide the details for Purchased water and sewer for the test year.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.48 Explain the Operating Expenses Charged to Plant for water and sewer operations of (\$267,522) and provide details for the amount.**

Answer:

- 1.49 Provide a break down of the per book insurance amount for water and sewer operations of \$149,328.**

Answer: The requested information was provided to ORS during its financial audit subject to the Protective Agreement.

- 1.50 Provide the details of Miscellaneous Expenses of \$48,378.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.51 Provide the Company's calculation of per book Depreciation Expense using plant categories and approved depreciation rates.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.52 Provide the Company's computation for per book Federal and State Income Taxes.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.53 Provide the details for the per book Amortization of ITC and Amortization of CIAC.**

Answer:



**1.54 Provide the computation of Interest During Construction of (\$17,756).**

Answer: The requested information was provided to ORS during its financial audit.

**1.55 Provide a schedule of Long-Term Debt and Interest Expense on Long Term Debt for the test year. Provide computations and work papers supporting the 59.23%/40.77% debt/equity ratio and cost of debt of 7.28%.**

Answer: The requested information was provided to ORS during its financial audit.

**1.56 Please provide a schedule detailing rate case expenses to date.**

Answer:

**1.57 Please explain the reason for the income statement adjustment (I) concerning AFUDC elimination.**

Answer: As explained to ORS personnel in the course of the financial audit, this is a below the line expense item that is not included for ratemaking purposes.

**1.58 Please provide a schedule of the breakdown between AFUDC included in the test year on projects now in service and those still under construction.**

Answer: The requested information was provided to ORS during its financial audit.

**1.59 Please provide a schedule showing actual chemical expenses for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004.**

Answer: The Company objects to the request for data for years 2000 through 2001 on the ground that the information sought is not relevant nor likely to lead to the discovery of admissible evidence. The information requested for year 2004 was provided to ORS during its financial audit. The information for years 2002 and 2003 is being obtained and will be provided.

**1.60 Please provide a detailed schedule of all expenses allocated to Utilities, Inc. for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004. Explain in detail how these expenses are allocated.**

Answer: Nothing is allocated to Utilities, Inc.

**1.61 Please provide the amount of water pumped, purchased, and sold by the company for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004.**



Answer:

- 1.62 Please provide the number of gallons of water treated for the twelve months ended June 30, 2000, 2001, 2002, 2003 and 2004.**

Answer:

- 1.63 Please provide work papers detailing cost of debt, cost of equity, and return on rate base set forth in the Application.**

Answer:

Schedule C

- 1.64 Provide records showing plant investment by categories totaling per book Gross Plant in Service of \$37,107,047.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.65 Provide a schedule of the Company's computation of Cash Working Capital.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.66 Does the Company bill customers in advance or in arrears? If any customers are billed in advance, please provide a list of customers.**

Answer: Yes.

- 1.67 Provide details of the Water Service Corporation's Rate Base amount of \$130,433.**

Answer: The requested information was provided to ORS during its financial audit.

- 1.68 Please provide the balance for Accumulated Deferred Income Taxes at June 30, 2000, 2001, 2002, 2003 and 2004.**

Answer:

- 1.69 Provide a schedule detailing all deferred expenses included in the test year for water and sewer operations. Detail should at least include reason for deferral, total amount, amount being deferred, initiation date of deferral, ending date of deferral, and date and docket number of approval of deferral.**

Answer: The requested information was provided to ORS during its financial audit with the exception of the "date and docket number of approval of deferral." No such

approval is required by the Commission nor has any such request been made. In each of the Company's last two rate cases, the Commission has rejected the contention that prior approval for deferred expenses is required before they may be allowed. See Docket No. 2000-207-W/S, Order Nos. 2001-887 at 34-36 (August 27, 2001) and 2001-1009 at 14-17 (October 17, 2001); also see Docket No. 93-738-W/S, Order No. 94-484 at 19-20 (May 31, 1994).

- 1.70 Since the Company's last rate case in Docket No. 2000-207-W/S, please identify any and all of the Company's systems that have converted from water supplied by Company-operated wells to bulk service from another supplier.**

Answer:

- 1.71 For each system identified above in response to 1.70, provide a detailed break-down of the net book value of the plant and other costs associated with providing service from Company-operated wells prior to the conversion.**

Answer:

- 1.72 Since the Company's last rate case in Docket No. 2000-207-W/S, please identify any and all of the Company's systems that have converted from sewer service supplied by Company-operated treatment facilities to bulk treatment service from another supplier.**

Answer:

- 1.73 For each system identified above in response to 1.72, provide a detailed break-down of the net book value of the utility plant and other costs associated with providing service from Company-operated treatment facilities prior to the conversion.**

Answer:

- 1.74 Provide a list of Carolina Water Service, Inc.'s senior management.**

Answer: James L. Camaren is the Chief Executive Officer and Chairman of the Board. Lawrence N. Schumacher is President, Treasurer and Secretary.

- 1.75 Provide a listing of Utilities, Inc.'s regulated and non-regulated subsidiaries.**

Answer: The requested information was provided to ORS during its financial audit.

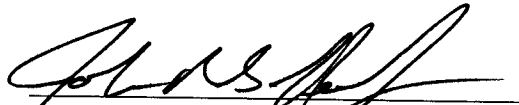
- 1.76 What are the Company's policies and procedures regarding bonuses for employees of Carolina Water Service, Inc. and Water Service Corporation? What are the**

**Company's policies and procedures regarding bonuses for senior management and officers of Carolina Water Service, Inc. and Water Service Corporation?**

Answer:

- 1.77 Does the company have any written guidelines for inspecting its systems and/or performing maintenance on its systems? If so, please provide guidelines.**

Answer:



John M. S. Hoefer, Esquire

**WILLOUGHBY & HOEFER, P.A.**

1022 Calhoun Street, Suite 302

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Applicant

Columbia, South Carolina  
This 9<sup>th</sup> day of March, 2005.



**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2004-357-W/S**


IN RE:

Application of Carolina Water Service,  
Inc. for adjustment of rates and charges  
and modification of certain terms and  
conditions for the provision of water and  
sewer service.

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of Carolina Water Service, Inc.'s initial Responses to ORS's First Continuing Data Request by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Florence P. Belser, Esquire  
C. Lessie Hammonds, Esquire  
**Office of Regulatory Staff**  
Post Office Box 11263  
Columbia, South Carolina 29211

  
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Kristina W. Kusa

Columbia, South Carolina  
This 9<sup>th</sup> day of March, 2005.